

BOARD OF COMMISSIONERS

BILL BARROW	<i>President</i>
MARY MATAKOVICH	<i>Vice President</i>
DAVE KIRK	<i>Secretary</i>
JIM BLECHA	<i>Commissioner</i>
DREW BRANDY	<i>Commissioner</i>



P.O. BOX 249 • AVILA BEACH
CALIFORNIA 93424
(805) 595-5400 • Fax 595-5404
www.portsanluis.com

STEPHEN A. McGRATH	<i>Harbor Manager</i>
THOMAS D. GREEN	<i>Legal Counsel</i>
PHILLIP J. SEXTON, CPA	<i>Treasurer</i>

May 19, 2015

Board of Supervisors
County of San Luis Obispo
c/o Supervisor Debbie Arnold, Chair
1055 Monterey Suite D430
San Luis Obispo, CA 93408

RE: Harbor Terrace Project Coastal Development Permit Appeal

Dear Supervisors,

I am writing on behalf of the Port San Luis Harbor District (Harbor District), applicant for the Harbor Terrace project located north and east of the intersection of Avila Beach Drive and Diablo Canyon Road. I, along with our funding partner, the California State Coastal Conservancy (SCC), respectfully request that you uphold the Planning Commission's unanimous approval of the coastal development permit (CDP) for the Harbor Terrace project.

BACKGROUND

In 2003, the Harbor District completed a Port Master Plan (and accompanied EIR), which includes a sub planning area for the Harbor Terrace site. Shortly thereafter, the California Coastal Commission certified, and San Luis Obispo County adopted, a Local Coastal Program (LCP) and the San Luis Bay Area Plan that prescribe requirements for the Harbor Terrace site. The project is consistent with the Master Plan, LCP, San Luis Bay Area Plan, and requirements of the Land Use and Circulation Elements of the San Luis Obispo County General Plan.

COMMUNITY OUTREACH

The Harbor District began its community outreach for the Harbor Terrace project in 2003 when it undertook and completed the Port Master Plan. Close coordination with the County, California Coastal Commission (CCC), and community groups such as the Avila Valley Advisory Council (AVAC) led to inclusion of project-specific language in the San Luis Bay Area Plan (2007) and the County's LCP (2007). In February 2014, shortly after submittal of a CDP application to the County in late 2013, the Harbor District held a public workshop to discuss the project with interested community stakeholders. Public comment was accepted on the project, and the Harbor Commission discussed the project at public hearings in February (initial design presentation) and June (design revisions) 2014. Numerous changes were made to the project in response to public feedback, and on January 27, 2015, the Port San Luis Harbor Commission certified the project EIR. **The project that was unanimously approved by the Planning Commission is the culmination of dialogues with stakeholder groups and public agencies that span more than a decade.**

Board of Supervisors, San Luis Obispo County,
 Supervisor Debbie Arnold, Chair
 May 19, 2015
 2

CALIFORNIA COASTAL COMMISSION: The Harbor District has remained in close contact with CCC staff and our local member of the Commission throughout the CDP process. CCC supports the Harbor Terrace project, assuming revisions to Condition of Approval 65 put forth in the staff package (-proposed by - the Harbor District to address on-going affordability of 58 low-cost campsites) are approved by the Board.

PROJECT APPEAL

Michael Kidd, a resident of Avila Beach, appealed the Planning Commission decision to approve unanimously the Harbor Terrace CDP on three issues: water, cumulative development in Avila Beach, and traffic analysis. Please find below Harbor District responses to each issue.

PROJECT WATER SUPPLY: Mr. Kidd requests the County postpone approval of the Harbor Terrace CDP until the on-going drought subsides such that water levels in Lopez Lake Reservoir reach normal capacity levels. The project EIR analysis indicates the Harbor District will be left with a surplus allocation of water after Harbor Terrace buildout. As shown below, the surplus allocation would allow the Harbor District to accommodate Harbor Terrace demand even in a delivery-reduction scenario that could be triggered by State mandate or County restrictions in light of reduced Lopez Lake Reservoir capacity levels.

Room In Harbor District Water Allocation to Accommodate Harbor Terrace and Water Supply Decrease: Water service is provided by the San Luis Obispo County Flood Control and Water Conservation District to the Harbor District through County Service Area Number 12 (CSA 12), which acquires and distributes water supplies allocated from the Lopez Lake Reservoir. The Harbor District possesses an allotment of 100 acre-feet per year (afy). The Harbor District currently uses approximately 35afy of its 100 afy water allocation. The Harbor Terrace project is anticipated to result in demand for 31.94 afy. The Harbor District will be left with a projected water surplus of 33.06 afy after Harbor Terrace buildout that would allow the District to accommodate reduced water delivery and Harbor Terrace demand simultaneously.

The County is implementing the Low Reservoir Response Plan (LRRP) for Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District which provides regulations for CSA 12, although no reductions in water delivery have yet occurred. The goal of the LRRP is to reduce downstream releases and municipal diversions from Lopez Reservoir, when the lake falls below 20,000 acre feet of storage. The below table shows that the **Lopez** Reservoir would need to fall below 2% capacity (65 afy delivery to Harbor District) before the Harbor District would fall short of supply needed to meet existing conditions plus Harbor Terrace water demand.

PSLHD Feet Reductions	Acre (AFY)	Lopez Reservoir Water Delivery Reduction Scenario		
		% Available	AF	Percent Delivery Reduction
100	35	20,000	0%	No deliveries above contract entitlements
90	24	15,000	10%	Delivery Reduction
80	13	10,000	20%	Delivery Reduction
65	2	5,000	35%	Delivery Reduction
0	0	4,000	100%	No Water Deliveries

Board of Supervisors, San Luis Obispo County,
Supervisor Debbie Arnold, Chair
May 19, 2015
3

Harbor Terrace Water Conservation Efforts: Prior to Planning Commission approval and in response to comments received on the Draft EIR, the project landscape plan was revised to eliminate lawn and non-native species that would require irrigation. The project is also subject to mitigation measures identified in the Port Master Plan Final Program EIR that include water conservation measures above and beyond County ordinance. Such mitigation measures include, among others:

PS-5. The Harbor District shall promote the efficient use of water and reduced water demand by:

- a. Requiring water-conserving design and equipment in new construction;
- b. Encouraging water-conserving landscaping and other conservation measures;
- c. Encouraging the retrofitting of existing fixtures with water-conserving fixtures;

PS-13. New development on the Harbor Terrace site shall comply with County of San Luis Obispo and County Service Area Number 12 requirements concerning the installation and use of reclaimed water systems for landscape irrigation.

PS-14. New development shall incorporate native plant species and ornamental species which are drought-tolerant and/or have low irrigation requirements.

Water conservation efforts presented by the project and Harbor District water delivery levels under the LRRP rebut the water concerns Mr. Kidd raises in his appeal of the project.

CUMULATIVE DEVELOPMENT IN AVILA BEACH AREA: Mr. Kidd requests the County postpone approval of the Harbor Terrace CDP until the Avila Community Plan is updated to include large, new projects that have recently come forward. The Avila Community Plan addresses land use and circulation issues for the inland portion of the community outside of the coastal zone. The San Luis Bay Area Plan addresses these issues for the portion of Avila Beach within the Coastal Zone. While the Harbor District cannot effect change to the Avila Community Plan, as it does not control inland property controlled by the Plan, it can and has effected change to the San Luis Bay Area Plan. The San Luis Bay Area Plan was updated in 2007 to include language specific to development on the Harbor Terrace site. Language in the San Luis Bay Area Plan that pertains to Harbor Terrace is based upon a Port Master Plan update that concluded in 2004.

The Harbor Terrace project has been conceived of and discussed with the community for over a decade. The project that has come forward is entirely consistent with the Port Master Plan and San Luis Bay Area Plan. The project is reflected in the County General Plan and LCP.

Long-term anticipation of the Harbor Terrace project, incorporation of the project into County regulatory frameworks, and inclusion of the project in County baseline conditions for traffic, water, and other analyses rebut the cumulative development issues Mr. Kidd raises in his appeal of the project.

TRAFFIC ANALYSIS TIMING: Mr. Kidd requests the County postpone approval of the Harbor Terrace CDP until the project has analyzed peak level traffic that occurs in holiday and weekend timeframes. Section 4.11.1.5 of the Harbor Terrace EIR discusses how project traffic impacts would vary in context of seasonal peak (summer weekend) traffic timeframes. The Harbor

Board of Supervisors, San Luis Obispo County,
Supervisor Debbie Arnold, Chair
May 19, 2015
4

Terrace project EIR traffic analysis also complies with the SLO County Local Coastal Program (LCP) requirements for traffic counts. Changing the required timing of the traffic counts would require an amendment to the County LCP that would need to be certified by the California Coastal Commission.

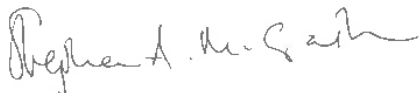
Chapter 5 of the LCP, "Policies for Commercial Fishing, Recreational Boating, and Port Facilities" puts forth Policy 5.C, "Port San Luis Service Capacity" that states (pg. 5-7):

Traffic: Avila Beach Road shall not be subjected to traffic levels exceeding level of service "C", based on the average hourly weekday two-way 3:00 p.m. to 6:00 p.m. traffic counts to be conducted during the second week in May of each year. [Amended 1995, Ord. 2702]

The project EIR analysis that addresses peak hour, seasonal traffic patterns that would apply to the project and traffic count timing stipulated in the LCP together rebut the traffic issues Mr. Kidd raises in his appeal of the project.

The Harbor District and State Coastal Conservancy commend County staff for its enduring attention to the project and proactive approach to resolving Harbor Terrace issues with the community and California Coastal Commission. We respectfully request that you uphold the Planning Commission's unanimous approval of a coastal development permit for the Harbor Terrace project. If you have further questions or comments, please feel free to contact me at (805) 595-5414 or stevem@portsanluis.com.

Sincerely,



Steve McGrath,
Harbor Manager, Port San Luis Harbor District

cc: Rob Fitzroy, County Planning
Daniel Robinson, California Coastal Commission